

Assembly Bill No. 583

CHAPTER 193

An act to amend Section 890 of the Civil Code, and to add Section 602.9 to the Penal Code, relating to rent skimming.

[Approved by Governor July 20, 1998. Filed with
Secretary of State July 21, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

AB 583, Davis. Residential real property: trespass: rent skimming.

Existing law defines rent skimming as the use of revenue from the rental of a parcel of residential property during the first year after acquiring the property without first applying the revenue or an equal amount to payments due on all mortgages or deeds of trust encumbering the property.

This bill would further define "rent skimming" for purposes of this provision to include receiving rental income from the rental of residential real property without the consent of the property owner or his or her agent, as specified.

This bill would also provide that claiming ownership or claiming or taking possession of, or causing another to enter or remain in, a residential dwelling for the purpose of renting or leasing the dwelling to another without the consent of the owner or the owner's lawful agent is a misdemeanor punishable, as specified. Because this bill would create a new crime, it would establish a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 890 of the Civil Code is amended to read:

890. (a) (1) "Rent skimming" means using revenue received from the rental of a parcel of residential real property at any time during the first year period after acquiring that property without first applying the revenue or an equivalent amount to the payments due on all mortgages and deeds of trust encumbering that property.

(2) For purposes of this section, "rent skimming" also means receiving revenue from the rental of a parcel of residential real property where the person receiving that revenue, without the

consent of the owner or owner's agent, asserted possession or ownership of the residential property, whether under a false claim of title, by trespass, or any other unauthorized means, rented the property to another, and collected rents from the other person for the rental of the property. This paragraph does not apply to any tenant, subtenant, lessee, sublessee, or assignee, nor to any other hirer having a lawful occupancy interest in the residential dwelling.

(b) "Multiple acts of rent skimming" means knowingly and willfully rent skimming with respect to each of five or more parcels of residential real property acquired within any two-year period.

(c) "Person" means any natural person, any form of business organization, its officers and directors, and any natural person who authorizes rent skimming or who, being in a position of control, fails to prevent another from rent skimming.

SEC. 2. Section 602.9 is added to the Penal Code, to read:

602.9. (a) Except as provided in subdivision (c), any person who, without the owner's or owner's agent's consent, claims ownership or claims or takes possession of a residential dwelling for the purpose of renting that dwelling to another is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding one thousand dollars (\$1,000), or by both such imprisonment and fine. Each violation is a separate offense.

(b) Except as provided in subdivision (c), any person who, without the owner's or owner's agent's consent, causes another person to enter or remain in any residential dwelling for the purpose of renting that dwelling to another, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding one thousand dollars (\$1,000), or by both such imprisonment and fine. Each violation is a separate offense.

(c) This section does not apply to any tenant, subtenant, lessee, sublessee, or assignee, nor to any other hirer having a lawful occupancy interest in the residential dwelling.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative

on the same date that the act takes effect pursuant to the California Constitution.

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